



California Energy Commission

2014 Energy Commission Priorities

At a Glance

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**Northern California Power Agency
2014 Strategic Issues Conference**

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San Onofre closure causes reliability problems in Southern California because Los Angeles and San Diego are load pockets with limited options

Real-time changes (contingency response)

- System must be ready to respond to events
- Some events are instantaneous; others allow 30 minutes

Real power (Watts)

- Runs lights and appliances
- Requires correct voltage for delivery (like pressure in water pipes)



Reactive power (Vars)

- Over or under supply of Vars causes voltages to climb or fall
- Local needs must be met locally

- All three characteristics are needed – not all resources can provide.
- Compliance with once-through cooling schedule compounds the issues.
- San Onofre provided: 2,246 MW in the LA Basin
1,100 MVars supporting voltages between Los Angeles & San Diego



No single resource can meet both reliability needs and state policy objectives

Type	Energy (MWs)	Contingency response	Voltage support (VARs)	Direct GHG emissions
Energy Efficiency	Yes ²	Yes ²	Yes ²	Low
Demand Response	Yes	Yes	No	Low
Combined Heat & Power	Yes	Maybe	Yes	High
Storage	Yes	Yes	Maybe	Medium ¹
Rooftop Solar	Yes	No	No	Low
Synch Condenser and other voltage support devices	No	Yes	Yes	Medium ¹
Gas Peaker/CT	Yes	Yes	Yes	High
Gas Combined Cycle	Yes	Yes	Yes	High
Transmission	Yes	Yes	Yes	Medium ¹

[1] The GHG attributes of storage and synchronous condensers depend on the energy used from the grid

[2] Reduces overall load and requirements

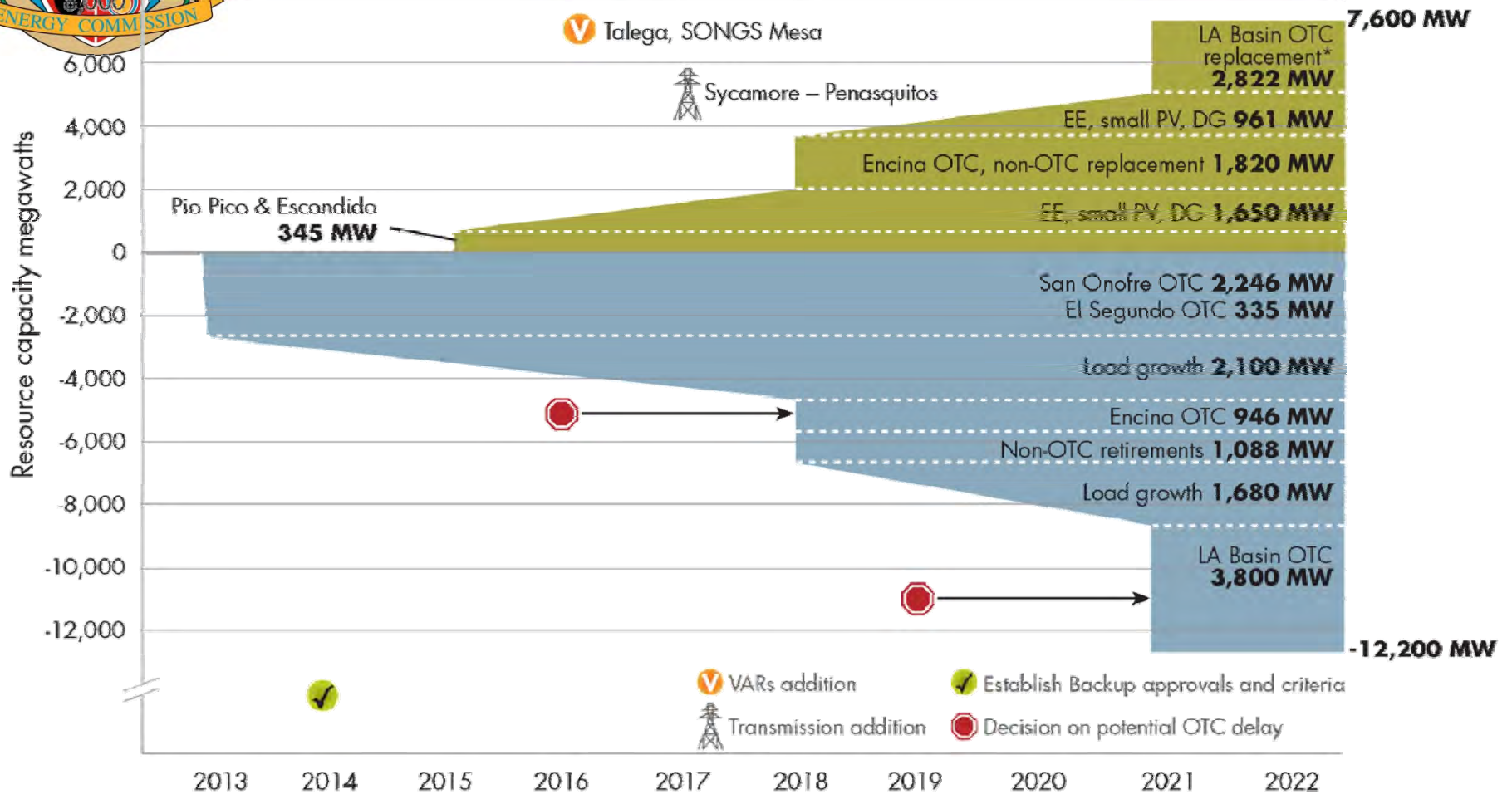


Transmission alternatives under consideration:





Resource picture for LA Basin and San Diego



Total load in LA Basin & San Diego:
 2018 = 27,500 MW
 2022 = 29,000 MW

*1,800 MW authorized
 • May include additional preferred resources
 • Transmission could further reduce need



Specific near term actions (2013 - 2018)

VARs	MW	VARs & MW
Permit Talega & San Onofre Mesa projects	Flex-Alert funding beyond 2014	Maintain capacity at Cabrillo II
Extend Huntington Beach synchronous condensers	Permit construction of Sycamore-Penasquitos 230kv line	Timely action on Pio Pico
Modify San Onofre voltage criteria (w/SCE)	Authorize acceleration of EE, DR, DG, and storage procurement in target areas	Authorize procurement to replace Encina
Evaluate conversion of one San Onofre unit to a synchronous condenser	Evaluate transmission alternatives	Timely decisions to license replacements for OTC capacity
	Develop & implement multi-year auction for DR and EE	Create contingency permitting process

 CPUC
 CEC
 ISO



Renewable Portfolio Standard

- **High compliance – Over half of NCPA members claim they will be at or above 20 percent for the 1st compliance period (not including historic carryover)**
 - For example, Healdsburg and Truckee Donner are above 40 percent
- **Next Steps**
 - March 31, 2014 – due date for multi-fuel (including biomethane) facilities to report their fuel use for the previous calendar year
 - First/Second Quarter 2014 – CEC reviews and verifies certifications and generation from facilities claimed under HCO, contracts, and general RPS eligibility claims (not the buckets)
 - July 1, 2014 – due date for submittal of 2013 data and RPS compliance reports for the first compliance period
 - Third/Fourth Quarter 2014 – CEC analyzes and verifies buckets; hourly e-tag data; and biomethane claims



Power Source Disclosure

- Established in 1997 and amended in 2009 – AB 162 aims to better align reporting requirements with the RPS program
- The Energy Commission opened a rulemaking in July 2010 and issued draft regulations in May 2011
- Due to SB 1X 2, which amended RPS requirements for POU, the regulations were postponed until the POU RPS regulations were adopted
- PSD program needs to be made more consistent with the RPS so as not cause confusion to customers.



Assembly Bill 2514 Requirements

- **Energy Storage Bill**

- Governing boards of POU's to initiate a process to determine appropriate targets to procure viable and cost effective storage systems to be achieved by 12/31/16 and 12/31/2021
- Procurement targets must be adopted by 10/1/14 and reported to Energy Commission
- POU's must report compliance to Energy Commission by January 2017 and 2022
- Energy Commission must post the reports on our website

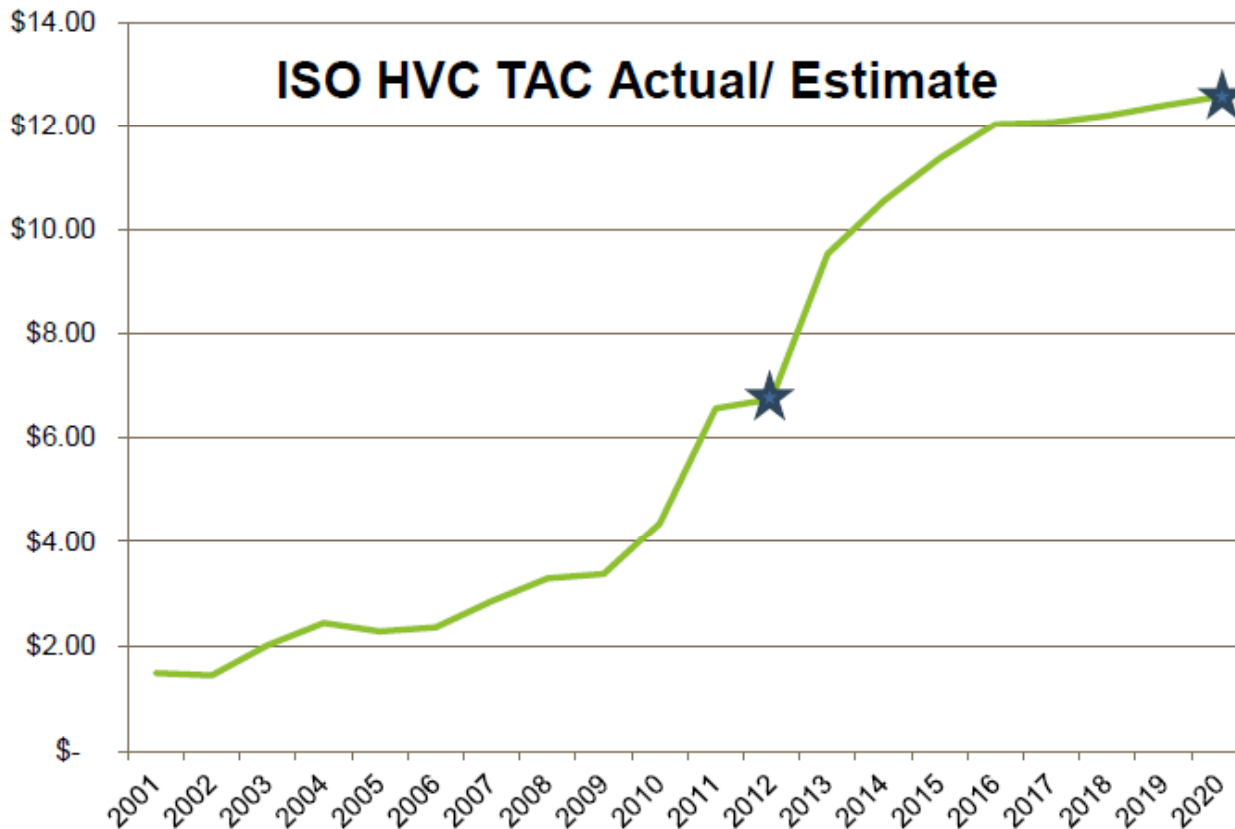


Proposition 39: Clean Energy Jobs Act Implementation

- Funds for Energy Efficiency and Clean Energy Projects
- 2013-14 Budget Allocation:
 - \$381 million in awards to local educational agencies (LEAs)
 - \$47 million in awards to California community college districts
 - \$28 million for the Energy Commission's Energy Efficiency Financing Program (low- to no-interest loans)
 - \$3 million to the California Workforce Investment Board (CWIB) workforce training
 - \$5 million to the California Conservation Corps to perform energy surveys and other energy conservation-related activities.
- 2013 Program Guidebook Approved by the Energy Commission on Dec. 19th, 2013 for LEAs only
- Energy Expenditure Plan Forms, Resource Handbook, Simple Project Calculators and Data Release Form will be available at the end of January 2014.



Transmission Access Charge



Estimated significant increases in the TAC due to replacing aging infrastructure, NERC planning standards and meeting California's energy goals.



Thank you

Questions?

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